



**Ninety-Eighth Legislature - Second Session - 2004**  
**Committee Statement**  
**LB 1020**

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**Hearing Date:** February 12, 2004

**Committee On:** Revenue

**Introducer(s):** (Landis)

**Title:** Impose a minimum corporate tax

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**Roll Call Vote – Final Committee Action:**

Advanced to General File

Advanced to General File with Amendments

X Indefinitely Postponed

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**Vote Results:**

5	Yes	Senators Baker, Hartnett, Janssen, Raikes and Redfield
1	No	Senator Landis
0	Present, not voting	
2	Absent	Senators Bourne and Connealy

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**Proponents:**

Senator David Landis  
Richard Lombardi

**Representing:**

Introducer  
Center for Rural Affairs

**Opponents:**

Donald Wurster  
  
John Cederberg

**Representing:**

National Indemnity Company and  
Nebraska Insurance Federation  
State Chamber, Omaha Chamber, Nebraska  
Bankers, Nebraska Independent Bankers

**Neutral:**

D'Anne Welch

**Representing:**

Libertarian Party of Nebraska

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**Summary of purpose and/or changes:**

LB 1020 would have imposed a minimum corporate tax on corporate taxpayers in the state. The minimum corporate tax could not have been reduced by using tax credits. Income taxes paid were to be a credit against the minimum corporate tax so corporations would pay the larger of the minimum corporate tax or taxes paid on income. The rate of tax was 0.0 percent on the first \$1 million of corporate income, 0.4 percent on the next \$4 million of taxable income, and 0.8 percent on taxable income greater than \$5 million.

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For purposes of the minimum corporate tax, income of a unitary business was to be apportioned to Nebraska based on the three factor formula of sales, property and payroll that was the basis for income tax apportionment prior to LB 772 (1987).

For purposes of administering the minimum corporate tax, provisions relating to the income tax regarding returns, due dates, interest and penalties were to apply to this tax.

**Explanation of amendments, if any:**

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**Senator David Landis, Chairperson**